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Industrial Development Board

Twenty-third session

SUMMARY RECORD OF THE 5th MEETING

Held at the Vienna International Centre, Vienna,
on Thursday, 16 November 2000, at 11.30 a.m.

President: Mr. ORTIZ (Spain)

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The meeting was called to order at 11.50 a.m.

INTRODUCTION OF DRAFT DECISIONS (IDB.23/L.2-L.13)

1. **The PRESIDENT** said that a number of draft decisions, which had been discussed in informal consultations under the chairmanship of Mr. Urruela Prado (Guatemala), were before the Board.

2. **Mr. URRUELA PRADO** (Guatemala), speaking as chairman of the informal consultations, expressed his appreciation of the constructive spirit that had prevailed during the consultations, and particularly thanked those delegations that had helped to find compromise solutions. Regarding document IDB.23/L.8 on agenda item 13 ("Provisional agenda and date of the twenty-fourth session"), there had been a general feeling that the provisional agenda proposed for the twenty-fourth session was too long; he would suggest a possible solution to the problem under item 13.

REPORT OF THE PROGRAMME AND BUDGET COMMITTEE (continued) (IDB.23/2)

(a) **REPORT OF THE EXTERNAL AUDITOR, FINANCIAL PERFORMANCE REPORT AND PROGRAMME PERFORMANCE REPORT FOR THE BIENNIUM 1998-1999** (continued) (IDB.23/3 and Corr.1, IDB.23/6, IDB.23/7 and Corr.1; IDB.22/2 and Corr.1 and Add.1; IDB.23/L.2)

3. **The PRESIDENT** drew attention to draft decision IDB.23/L.2.

4. *The draft decision was adopted.*

(b) **FINANCIAL SITUATION OF UNIDO, INCLUDING ARREARS** (continued) (IDB.22/8; IDB.23/CRP.1)

5. No draft decision having been submitted under the item, **the PRESIDENT** proposed that the Board take note of the documentation provided by the Secretariat.

6. *It was so decided.*

(c) **UNUTILIZED BALANCES OF APPROPRIATIONS, 1992-1993 AND 1996-1997** (continued) (IDB.23/5)

7. No draft decision having been submitted under the item, **the PRESIDENT** proposed that the Board take note of the documentation provided by the Secretariat.

8. *It was so decided.*

(d) **FINANCIAL REGULATIONS** (continued) (IDB.23/8; IDB.23/L.3)

9. **The PRESIDENT** drew attention to draft decision IDB.23/L.3.

10. *The draft decision was adopted.*

(e) **TRANSITION TO A SINGLE-CURRENCY SYSTEM** (continued) (IDB.23/15 and Add.1; PBC.16/3, PBC.16/9; IDB.23/L.7)

11. **The PRESIDENT** drew attention to draft decision IDB.23/L.7, entitled "Transition to a single-currency system—Definition of major objects of expenditure".

12. *The draft decision was adopted.*

(f) **MEDIUM-TERM PROGRAMME FRAMEWORK, 2002-2005** (continued) (IDB.23/4; IDB.23/L.4)

13. **The PRESIDENT** drew attention to draft decision IDB.23/L.4.

14. *The draft decision was adopted.*

(g) **MOBILIZATION OF FINANCIAL RESOURCES** (continued) (IDB.23/5; IDB.23/L.5)

15. **The PRESIDENT** drew attention to draft decision IDB.23/L.5.

16. *The draft decision was adopted.*

INTEGRATED PROGRAMMES (continued)
(IDB.23/18; IDB.23/CRP.5; IDB.23/L.9)

17. **The PRESIDENT** drew attention to draft decision IDB.23/L.9.

18. **Ms. PELLICER SILVA** (Mexico) proposed that the words "*con beneplácito*" should be deleted from the first line of paragraph (b) in the Spanish version.

19. *It was so decided.*

20. **Mr. FREEMAN** (United Kingdom) thought that the wording of paragraph (d) could be improved. In particular, the precise meaning of the words "including donors" was unclear.

21. After a discussion in which **Ms. PELLICER SILVA** (Mexico), **Mr. ZEWDIE** (Ethiopia), **Mr. PAULINICH** (Peru), **Mr. GONZALEZ** (Chile) and **Ms. QUINCY** (France) took part, **Ms. GARDEZI** (Pakistan) urged that the existing text should be maintained, as it represented a compromise solution.

22. **Mr. FREEMAN** (United Kingdom) agreed.

23. **The PRESIDENT** said that attention had been drawn to errors in the French and Spanish versions of the draft decision; those would be corrected.

24. *Draft decision IDB.23/L.9, as amended, was adopted.*

FIELD REPRESENTATION (continued) (IDB.23/10, IDB.23/18; IDB.23/L.10)

25. **The PRESIDENT** drew attention to draft decision IDB.23/L.10.

26. *The draft decision was adopted.*

GLOBAL FORUM ACTIVITIES (continued)
(IDB.23/9; IDB.23/CRP.7; IDB.23/L.11 and L.12)

27. **The PRESIDENT** drew attention to draft decision IDB.23/L.11.

28. **Mr. BADDOU** (Morocco) thought that there was a difference in meaning between the term "*grandes orientations*" used in the French version of paragraph (b) and the term "policy orientations" used in the English version.

29. **The PRESIDENT** said that the Secretariat would ensure that the translations were correct.

30. *Draft decision IDB.23/L.11 was adopted.*

31. **The PRESIDENT** drew attention to draft decision IDB.23/L.12, entitled "UNIDO's involvement in LDC III".

32. **Mr. PAULINICH** (Peru) proposed that, in the first line of the Spanish version of paragraph (e), the word "*conspicua*" should be replaced by the word "*visible*".

33. *It was so decided.*

34. *Draft decision IDB.23/L.12, as amended, was adopted.*

35. **Ms. QUINCY** (France) thanked the Director-General for the information he had provided on the preparations for the Third United Nations Conference on the Least Developed Countries (LDC III) and said that her country hoped to be involved in a sustained dialogue with the Secretariat to assist the participation of UNIDO in the Conference.

UNIDO GLOBAL ENVIRONMENT FACILITY ACTIVITIES (continued) (IDB.23/11; IDB.23/L.13)

36. **The PRESIDENT** drew attention to draft decision IDB.23/L.13 on "Climate change and environment".

37. *The draft decision was adopted.*

OPERATIONAL ACTIVITIES FOR DEVELOPMENT (continued) (IDB.23/14; IDB.23/L.6)

38. **The PRESIDENT** drew attention to draft decision IDB.23/L.6.

39. *The draft decision was adopted.*

PROVISIONAL AGENDA AND DATE OF THE TWENTY-FOURTH SESSION (IDB.23/CRP.2 and CRP.4; IDB.23/L.8)

40. **Mr. URRUELA PRADO** (Guatemala), speaking as chairman of the informal consultations, noted that many of the items listed in document IDB.23/L.8 would be covered in the Director-General's Annual Report. In the light of comments made during the informal consultations, he suggested that items 6, 7, 8, 10, 11, 12 and 14 of the provisional agenda might be deleted on the understanding that the Annual Report would cover: region-specific information on integrated programmes and special features; activities in favour of the least developed countries; developments concerning the integrated programmes; global forum activities, including technology foresight; the role of UNIDO in the achievement of international development targets; and Investment and Technology Promotion Offices (ITPOs).

Additionally, in view of the need expressed for a broader agenda item to cover climate change and the environment, the item on UNIDO Global Environment Facility activities might be extended to cover environment-related activities in general.

41. **Mr. FREEMAN** (United Kingdom) said that a real effort should be made to shorten the agenda, which was too long.

42. **Ms. PELLICER SILVA** (Mexico) thought that the question of Investment and Technology Promotion Offices could be dealt with under item 12 "Global forum activities").

43. **Mr. ZEWDIE** (Ethiopia) said that, while he supported the efforts to shorten the provisional agenda, he would prefer item 7 on the industrialization of the least developed countries (LDCs) not to be deleted, given its importance and the fact that, under the Business Plan on the Future Role and Functions of UNIDO, special consideration was to be given to those countries.

44. **Mr. GONZALEZ** (Chile) said that, in the light of the efforts of the Director-General directed towards streamlining the work of the Organization in both substance and form, serious consideration should be given to the structure of Board sessions. Statements often touched on several issues without any real discussion taking place. An open-ended working group should perhaps be set up to deal with specific subjects.

45. **The PRESIDENT** thought that the Board could confine itself to taking note of the agenda proposed for the next session and that representatives of the Secretariat could meet with representatives of regional groups before the twenty-fourth session to look at ways of reducing the number of items on the provisional agenda for the session.

ADOPTION OF THE REPORT (IDB.23/L.1)

46. **Mr. LAASSEL** (Morocco), Rapporteur, introducing document IDB.23/L.1, said that it merely represented the framework of the report. Owing to time constraints, there had been no meeting of the Friends of the Rapporteur during the session. The final version of the report would be compiled in close consultation with the Friends of the Rapporteur and would duly reflect the proceedings of the session.

47. **The PRESIDENT** said that, if he heard no objection, he would take it that the Board wished to adopt the draft report as a whole on the understanding that the Rapporteur would finalize it in consultation with the Friends of the Rapporteur as soon as possible after the closure of the session.

48. *It was so decided.*

CLOSURE OF THE SESSION

49. **Mr. MAGARIÑOS** (Director-General), illustrating his statement by means of transparencies, expressed his thanks to participants in the session. For the first time in four years all Board members had been represented—an indication of the renewed interest of Member States in the Organization. He also expressed his appreciation of the pledges that had been announced by Norway, the United Kingdom, Italy, Nigeria and India, as well as by Spain, which would be making its first contribution to the Industrial Development Fund.

50. The strong reactions that the reduction in integrated programmes had aroused had demonstrated the strong sense of ownership that recipient countries had with respect to their programmes. While he understood that Member States might be discouraged by the adjustment, it was important to emphasize that the scaling down had been carried out to reduce any potential overlapping. The objective of ensuring that technical cooperation was based on priorities established by Member States had been achieved. He would, however, be willing to listen to any comments that Member States might have on the exercise of reducing the integrated programmes.

51. It was regrettable that the draft decision on field representation (IDB.23/L.10) gave no indication of why effective decentralization remained incomplete. It should be made clear that the reason was lack of resources rather than slackness on the part of the Secretariat in implementing the guidelines in the Business Plan on the Future Role and Functions of UNIDO. In the Board's discussions on the matter, a clear consensus had emerged concerning the expediency of a gradual approach to decentralization.

52. With regard to global forum activities, he said that a working group would be set up in which representatives of regional groups would be invited to participate to establish the contribution to be made by UNIDO to the Third United Nations Conference on the Least Developed Countries. Emphasizing UNIDO's contribution to the LDCs, he said that a total budget of \$53 million existed for integrated programmes in the LDCs, \$16 million of which was currently allocated.

53. There had been no opportunity at the current session to analyse the Secretariat's new initiatives in detail. Discussion of that subject would be very important if the technical cooperation portfolio was to be expanded. He planned to organize informal consultations to present the Secretariat's strategy in that regard. It was gratifying to note that one regional

initiative was receiving substantial financial support from the European Union.

54. He welcomed the quality and substance of the dialogue that had taken place in the Board. Although improvements could still be made, as the representative of Chile had indicated, much progress had been achieved over the previous three years.

55. After an exchange of courtesies, **the PRESIDENT** declared the twenty-third session of the Industrial Development Board closed.

The meeting rose at 1 15 p.m.